

## **REMARKS**

Claims 1-78 were pending prior to the Office Action of February 5, 2008. In the above amendments, Applicants amended claims 1, 2, 7, 9-17, 20, 22-26, 29, 30, 35, 37-45, 48, 50-55, 60, 62, 63, 65-70, 73, 75, 76, and 78 to highlight features of the present invention and to provide additional context to the claims. Support for the above amendments may be found in the Specification at least in paragraphs [0017, 0026-0028] and in Figures 1-3 and throughout the Specification. Applicants respectfully submit that no new matter was introduced by these amendments.

As now recited, claims 1-78 remain pending and are believed to be in condition for allowance. Applicants respectfully request reconsideration of this application in light of the above amendments and the following remarks.

### **A. Information Disclosure Statements**

Applicants acknowledge and appreciate the Examiner's consideration of the documents submitted with the Information Disclosure Statements (IDS) filed on November 5, 2003, on May 4, 2005, and on December 21, 2005.

### **B. Information Disclosure Statements**

Applicants acknowledge and appreciate the Examiner's acceptance of the drawings filed on November 5, 2003.

### **C. Claim Rejections under 35 U.S.C. § 101**

Claims 26-28, claims 54-60, and claims 62-78 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject as indicated beginning on page 2 of the February 5, 2008, Office Action. In view of the amendments above and the comments below, Applicants respectfully request reconsideration and withdrawal of this rejection.

1. Claims 26-28 Recite a System for Distributing Content in Proper Means-Plus-Function Format

Independent claim 26 recites a system for distributing content to a content consumption device comprising means for detecting an action performed on a content consumption device that makes available a channel of the device by performance of the action, means for selecting content to be played on the device on the available channel, and means for playing the selected content on the device on the available channel. Claims 27 and 28 depend upon claim 26. In the February 5, 2008, Office Action, the Examiner asserts that “[c]laims 26-28 are directed to a ‘system for distributing content’, which may be interpreted to be purely computer software where the ‘means for’ limitations are directed to steps or components of that software.” The Examiner goes on to assert that computer software fails to meet the 35 U.S.C. § 101 requirement that the invention be a “process, machine, manufacture, or composition of matter.” See paragraph 4 February 5, 2008, Office Action.

With respect, Applicants disagree with this characterization of claims 26-28. These claims recite a system for distributing content in means plus function format. The present specification discloses that the system has access to content in audio and video forms, can monitor track play functionality on a content consumption device, and insert content on available channels during playback (see paragraph [0005] of the present specification, for example). Figure 2 of the present disclosure is a diagram of a system 200 for delivering content and includes an advertising repository 202, a preferred content repository 204, an available channel monitoring device 206, an audio/video rendering device 208, a user interface device 210, and a user preference monitoring device 212, along with communication buses 214, 216. See Figure 2 and paragraphs [0022-0026] of the specification. The Examiner’s interpretation of the system for distributing content recited in claims 26-28 as “purely computer software” is not in accordance with settled law with regard to claims recited in means-plus-function format.

The Court of Appeals for the Federal Circuit held that a means or step-plus function limitation should be interpreted by the U.S. Patent and Trademark Office with regard to the structure, material, or acts disclosed in the specification and equivalents that correspond to such language. *See In re Donaldson* 29 USPQ2d 1845 (Fed. Cir. 1994). Examples of structures are evident in paragraphs [0022-0026] of the present application as well as in Figure 2 of the present application. Further, the devices and subsystems of the present invention include any suitable servers, workstations, personal computers, and the like as described in paragraphs [0035-0039] of the present specification.

The Court of Appeals for the Federal Circuit has held that a claim limitation will invoke 35 U.S.C. §112, sixth paragraph, if it meets the following 3-prong analysis, namely (a) the claim limitations must use the phrase “means for” or “step for;” (b) the “means for” or “step for” must be modified by functional language; and (c) the phrase “means for” or “step for” must not be modified by sufficient structure, material, or acts for achieving the specified function.

In the present application, the subject elements in the claims meet the first prong of the analysis by reciting the phrase “means for”. Similarly, the “means for” phrase is modified by functional language, and thereby meets the second prong of the analysis. Further, the subject claims meet the third prong of the analysis because the phrase “means for” is not modified by sufficient structure, material, or acts for achieving the specified function. *See In re Donaldson* 29 USPQ2d 1845 (Fed. Cir. 1994). The subject elements in the claims are set forth, at least in part, by the function they perform as opposed to the specific structure, material, or acts that perform the function. *See York Prod., Inc. v. Central Tractor Farm & Family Center*, 99 F.3d 1568, 1574 (Fed. Cir. 1996); see also MPEP § 2181. Claims 26-28 properly recite a system for distributing content to a content consumption device in means-plus-function form, and as such, the rejection of claims 26-28 under 35 U.S.C. § 101 is improper and should be withdrawn.

Applicants respectfully request reconsideration of claims 26-28 and the withdrawal of the rejection under 35 U.S.C. § 101.

2. Claims 54-60 and Claims 62-78 Recite a Content Consumption Device and are Directed to Statutory Subject Matter

Similarly, claims 54-60, and claims 62-78 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject as indicated beginning on page 2 of the February 5, 2008, Office Action.

The Examiner asserts that “[c]laims 54-60 and 62-78 are directed to a ‘content consumption device’, which may be interpreted to be computer software where the recited “components” may be software components and that computer software fails to meet the 35 U.S.C. § 101 requirements for patentable subject matter.

Applicants respectfully disagree with this characterization of claims 54-60 and 62-78. For example, independent claim 54 recites a content consumption device comprising an available channel monitoring component and a rendering component. The available channel monitoring component is configured to detect an action performed on the content consumption device that makes available a channel of the device by performance of the action, and is further configured to select targeted content to be played on the device on the available channel. The rendering component is configured to play the selected targeted content on the device on the available channel simultaneously with the preferred content.

The present specification discloses that content consumption devices may be recording and/or playback devices, such as personal video recorders (PVR’s), and the like, as well as other devices which can record broadcast audio and/or video content to some form of memory (see paragraphs [0003, 0005, 0012, 0013] of the specification). Further, in paragraph [0020] of the present specification, a content consumption device with a video screen is used to view video content while separate audio content plays.

Additionally, Figure 2 illustrates a content consumption device for delivering preferred and advertising content. The specification is replete with further examples where a content consumption device includes tangible, physical components. Further, a content consumption device in accordance with the present invention may include an advertising repository 202, a preferred content repository 204, an available channel monitoring device 206, an audio/video rendering device 208, a user interface device 210, and a user preference monitoring device 212, along with communication buses 214, 216. See Figure 2 and paragraphs [0022-0026] of the specification. The Examiner's interpretation of the content consumption device as recited in claims 54-60 and 62-78 as merely "computer software" where the recited "components" may be software components is improper and imparts additional limitations to the claims that are simply not recited.

Further, the present specification goes to great lengths to describe content consumption devices in accordance with the present invention. For example, paragraph [0029] describes:

[0029] Although the exemplary embodiments are described in term of content consumption devices, for example, recording and/or playback devices, such personal video recorders, etc., the exemplary embodiments can be applied to other devices and applications, such as non-recording and/or non-playback devices and applications, and the like, as will be appreciated by those skilled in the relevant art(s). For example, the exemplary embodiments can be applied to a pay-per-view broadcast of a performance by a cable television company, and the like, wherein advertising content can be delivered before or after the performance broadcast or during any suitable break in the broadcast, such as when the user pauses the broadcast or if there is an intermission in the performance, and the like.

See paragraph [0029] of the present specification (emphasis added).

Also, in paragraph [0035] of the present specification, further examples of the devices and subsystems of the present invention are described as follows:

[0035] The devices and subsystems of the exemplary embodiments can communicate, for example, over a communications network, and can include

any suitable servers, workstations, personal computers (PCs), laptop computers, PDAs, Internet appliances, set top boxes, modems, handheld devices, telephones, cellular telephones, wireless devices, other devices, and the like, capable of performing the processes of the disclosed exemplary embodiments. The devices and subsystems, for example, can communicate with each other using any suitable protocol and can be implemented using a general-purpose computer system, and the like. One or more interface mechanisms can be employed, for example, including Internet access, telecommunications in any suitable form, such as voice, modem, and the like, wireless communications media, and the like. Accordingly, communications networks employed can include, for example, wireless communications networks, cellular communications networks, satellite communications networks, Public Switched Telephone Networks (PSTNs), Packet Data Networks (PDNs), the Internet, intranets, hybrid communications networks, combinations thereof, and the like. In addition, the communications networks employed can be the same or different networks.

See paragraph [0035] of the present specification (emphasis added).

Further, the Examining Corps is given guidance for examining applications where computer programs may be claimed in the Manual of Patent Examining Procedure, which states:

Computer programs are often recited as part of a claim. USPTO personnel should determine whether the computer program is being claimed as part of an otherwise statutory manufacture or machine. In such a case, the claim remains statutory irrespective of the fact that a computer program is included in the claim. The same result occurs when a computer program is used in a computerized process where the computer executes the instructions set forth in the computer program. Only when the claimed invention taken as a whole is directed to a mere program listing, i.e., to only its description or expression, is it descriptive material per se and hence nonstatutory.

M.P.E.P., 8th Edition, Revision 6 (Sept. 2007), § 2106.01 I. (emphasis added).

In addition, the M.P.E.P. states that “[w]hen a computer program is recited in conjunction with a physical structure, such as a computer memory, USPTO personnel should treat the claim as a product claim.” *Id.* (emphasis added). Therefore, even if the claims in question recited software components, Applicants respectfully submit that the claims would be directed to statutory subject matter, because the claims also recite the

physical structure of at least a “content consumption device.” Because claims 54-60 and claims 62-78 as a whole are not directed to “a mere program listing,” the claimed invention is not descriptive material *per se* and is hence statutory. *See id.*

As shown in the above examples, claims 54-60 and claims 62-78 recite a content consumption device in proper form, and support for the form in which the device is recited in the claims may be found throughout the Specification and Figures. As such, Applicants respectfully request reconsideration of claims 54-60 and claims 62-78 and the withdrawal of the rejection under 35 U.S.C. § 101.

**D. Claim Rejections under 35 U.S.C. § 102**

Claims 1, 2, 4-7, 9, 10, 13, 16, 26, 29, 30, 32-35, 37, 38, 41, 44, 54, 55, 57-60, 62, 63, 66, 67, and 69 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Nishio UK Patent Application GB 2,302,635 (“the Nishio reference”). In view of the amendments above and the comments below, Applicants respectfully request reconsideration and withdrawal of this rejection.

The present invention is generally directed to a system, method, and device for selected content distribution, such as advertising content distribution. For example, amended independent claim 1 recites a computer-implemented method for distributing targeted content to a content consumption device and rendering the targeted content, wherein the rendering of the targeted content occurs during rendering of preferred content. The method comprises detecting an action performed on the content consumption device during rendering of the preferred content that makes available a channel of the device by performance of the action. The method also recites modifying the rendering of the preferred content and the available channel based upon the detected action. The method of claim 1 further recites selecting targeted content to be played on the device on the available channel based on an automated algorithm that selects the targeted content to be played from a repository of targeted content and playing the

selected targeted content on the device on the available channel simultaneously with the preferred content.

In contrast, the Nishio reference appears to disclose a video server used for a video-on-demand system that is based on a video tape storage system. The system described in the Nishio reference appears to employ a video server that identifies how long a specific reproduction control command will take to be served and identifies content that is roughly of that same duration as the non-transmission idle time. See page 3, paragraph 2 of the Nishio reference. The video server then plays that “same duration content” while processing the control command during the idle time. See page 5, first paragraph. When a user selects a specific reproduction control command, such as Pause, Fast-Forward, or Fast-Rewind, the subscriber terminal sends the control command to the video server. See page 7, starting in the last paragraph. The video server then uses a switching means for switching from the special video program to the reproduced [same duration] content. See page 8, starting in line 4. The switching means produce a selection signal to switch between the original content [“special video program”] and the reproduced [timed] content to coincide with the length of the specific reproduction control command. See page 8 of the Nishio reference. The switching means selects between alternative video programming, from the transmitted original content (a.k.a. “special video program”) to the timed “reproduced special video program” (a.k.a. “timed content”).

1. The Nishio Reference Does Not Disclose or Suggest Modifying the Rendering of the Preferred Content and the Available Channel Based Upon the Detected Action

The Nishio reference focuses on a system and method of supplying alternative content to a user when the original transmitted content is not available, such as during the time when a specific reproduction control command is serviced by the system. In the Nishio reference, a plurality of video servers use a video switch to select one type of



content for delivery. When the reproduced special video program is selected for delivery, there is no transmission of the special video program. See page 11, starting in the third paragraph.

There is no disclosure or suggestion in the Nishio reference of modifying the rendering of the preferred content and the available channel based upon the detected action, as required by amended claim 1 of the present application. The Nishio reference employs multiple video servers to store video content, but the system of the Nishio reference employs a single channel with which to deliver content to a subscriber. The system of the Nishio reference switches inputs to the delivery channel to deliver either the special video program or the timed “reproduced special video program.” See page 12, third paragraph of the Nishio reference as well as page 17, third paragraph through page 20, paragraph 3. A new connection path is formed between the video storage units and the video signal transmission path in the Nishio reference. There is no disclosure or suggestion of modifying the rendering of the preferred content, that is the “special video program,” and the available channel based upon the detected action performed on the content consumption device, as required by claim 1 of the present application.

As such, Applicants respectfully submit that the Nishio reference fails to disclose or suggest modifying the rendering of the preferred content and the available channel based upon the detected action [performed on the content consumption device] as recited in claim 1 of the present application.

2. The Nishio Reference Does Not Disclose or Suggest Playing the Selected Targeted Content on the Device on the Available Channel Simultaneously with the Preferred Content

Amended independent claim 1 of the present application also recites, “playing the selected targeted content on the device on the available channel simultaneously with the preferred content.” As outlined above, the Nishio reference switches between separate video content based upon a reproduction control command. There is no simultaneous

playing of the selected targeted content with the rendered preferred content on the available channel of the device as required by amended independent claim 1 of the present application. In the Nishio reference, switching commands are sent from subscriber terminals through interface units to switch the video program. See page 18, first paragraph. New connection paths are formed based upon the received switching commands. See page 19, first paragraph. These separate connection paths preclude simultaneous playing of the selected targeted content along with the rendering of the preferred content on the available channel of the device as recited in claim 1 of the present application.

Amended independent claim 1 of the present application recites modifying the rendering of the preferred content and the available channel based upon the detected action as well as playing the selected targeted content on the device on the available channel simultaneously with the preferred content.

In the present application, the monitoring component can selected targeted content from the advertising repository to place on the available channel of the rendering device. As the user selects actions with the user interface, audio and/or video channels can become available for playing of the selected targeted content. The monitoring component then provides the selected targeted content on the available channel or channels. The advertising content to be provided can be selected, for example, based on an action selected by the user or a nature of the state that made a channel available. For example, if the user selects a muting action, a still picture or text message can be displayed, if the user selects a pausing action, music can be played or an audio and/or video advertisement displayed, and the like. See paragraph [0026] of the present specification.

As indicated above, the Nishio reference fails to disclose or suggest all the elements recited in amended independent claim 1 of the present application. Applicants

respectfully submit that the Nishio reference fails to anticipate amended independent claim 1 under 35 U.S.C. § 102(b) and that amended independent claim 1 is in proper condition for allowance. Applicants respectfully request reconsideration of amended independent claim 1 and the withdrawal of the rejection under 35 U.S.C. § 102(b).

3. The Dependent Claims and the Related Claims Are Not Anticipated by the Nishio Reference

Claim 2, claims 4-7, 9, 10, 13, and claim 16 of the present application depend upon independent claim 1 and thereby include all the limitations of claim 1 while reciting additional features of a method of the present invention. Applicants respectfully traverse the rejection of claim 2, claims 4-7, 9, 10, 13, and claim 16 for similar reasons as outlined above with regard to the rejection of claim 1 under 35 U.S.C. § 102. As discussed above, the cited reference fails to disclose all the elements and limitations recited in independent claim 1 of the present application. Therefore, the applied reference also fails to disclose all the features and limitations of dependent claim 2, claims 4-7, 9, 10, 13, and claim 16 as well. Accordingly, Applicants respectfully submit that claim 2, claims 4-7, 9, 10, 13, and claim 16 are allowable at least by virtue of their dependency upon claim 1 as outlined above. Applicants respectfully request reconsideration and withdrawal of the rejection of claim 2, claims 4-7, 9, 10, 13, and claim 16 under 35 U.S.C. § 102.

Applicants also amended claim 26 to recite a related system of the present invention similar to amended independent claim 1 of the present application. Claim 1 and claim 26 are related claims that recite a method and a system, respectively, for distributing targeted content to a content consumption device, and rendering the targeted content, in accordance with the present invention. Amended system claim 26 recites a system in means-plus-function form with means for performing the method of amended independent claim 1.

As outlined above with regard to amended claim 1, the Nishio reference fails to disclose or suggest all the elements and limitations recited in independent claim 1 of the present application. Similarly, the Nishio reference also fails to disclose all the related elements and limitations of independent claim 26 as well.

Similarly, independent claim 29 recites a system configured to distribute content to a content consumption device that may also carry out the method recited in independent claim 1. Claims 1, 26, and 29 are related claims that recite a method and systems, respectively, for distributing targeted content to a content consumption device in accordance with the present invention. Claim 29 recites an available channel monitoring device and a rendering device configured to carry out the method of independent claim 1. As such, the limitations and features of independent claim 29 are closely related to the steps recited in independent method claim 1 and to the means of claim 26. Applicants respectfully submit that the Nishio reference also fails to disclose all the elements of claim 29 of the present invention. Therefore, Applicants respectfully submit that claim 29 is allowable over the cited reference for at least the reasons outlined above with regard to claims 1 and 26. Applicants respectfully request that the rejection of claim 29 under 35 U.S.C. § 102 be withdrawn.

Claims 30, 32-35, 37, 38, 41, and 44 of the present application depend upon claim 29 and thereby include all the limitations of independent claim 29 while reciting additional features of a system of the present invention. Applicants respectfully traverse the rejection of claims 30, 32-35, 37, 38, 41, and 44 for similar reasons as outlined above with regard to the rejection of claim 29 under 35 U.S.C. § 102. As discussed above, the cited reference fails to disclose all the elements and limitations recited in independent claim 29 of the present application. Therefore, the applied reference fails to disclose all the features and limitations of dependent claims 30, 32-35, 37, 38, 41, and 44 as well. Accordingly, Applicants respectfully submit that claims 30, 32-35, 37, 38, 41, and 44 are allowable at least by virtue of their dependency upon claim 29 as outlined above.

Applicants respectfully request reconsideration and withdrawal of the rejection of claims 30, 32-35, 37, 38, 41, and 44 under 35 U.S.C. § 102.

Applicants amended claim 54 to recite a related content consumption device of the present invention similar to the systems recited in amended independent claims 26 and 29 of the present application.

As outlined above with regard to amended claims 1, 26, and 29, the Nishio reference fails to disclose or suggest all the elements and limitations recited in independent claims 1, 26, and 29 of the present application. Similarly, the Nishio reference also fails to disclose or suggest all the related elements and limitations of independent claim 54 as well. Therefore, Applicants respectfully submit that claim 54 is allowable over the cited reference for at least the reasons outlined above with regard to claims 1, 26, and 29. Applicants respectfully request that the rejection of claim 54 under 35 U.S.C. § 102 be withdrawn.

As above, claims 55, 57-60, 62, 63, 66, 67, and 69 depend upon independent claim 54. These dependent claims thereby include all the limitations of independent claims 54 while reciting additional features of systems of the present invention. Applicants respectfully traverse the rejection of claims 55, 57-60, 62, 63, 66, 67, and 69 similar reasons as outlined above with regard to the rejection of claim 54 under 35 U.S.C. § 102. As discussed above, the cited reference fails to disclose all the elements and limitations recited in independent claim 54 of the present application. Therefore, the applied reference fails to disclose all the features and limitations of dependent claims 55, 57-60, 62, 63, 66, 67, and 69 as well. Accordingly, Applicants respectfully submit that claims 55, 57-60, 62, 63, 66, 67, and 69 are allowable at least by virtue of their dependency upon claim 54 as outlined above. Applicants respectfully request reconsideration and withdrawal of the rejection of claims 55, 57-60, 62, 63, 66, 67, and 69 under 35 U.S.C. § 102.

**E. Claim Rejections under 35 U.S.C. § 103**

Claims 8, 14, 15, 22, 23, 25, 27, 28, 36, 42, 43, 50, 53, 61, 68, 75, 76, and 78 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Nishio UK Patent Application GB 2,302,635 (“the Nishio reference”) as applied to claims 1, 26, 29, and 54 above, in view of Tsuchida et al. U.S. Patent Application Publication Number 2002/0194592 (“the Tsuchida application”). In view of the amendments above and the comments below, Applicants respectfully request reconsideration and withdrawal of this rejection.

1. The Combination of the Nishio Reference and the Tsuchida Application Fails to Disclose All Elements of Dependent Claims 8, 14, 15, 22, 23, 25, 27, 28, 36, 42, 43, 50, 53, 61, 68, 75, 76, and 78 and Fails to Render These Dependent Claims Unpatentable.

Dependent claims 8, 14, 15, 22, 23, 25 are dependent upon amended independent claim 1 and thereby include all the limitations of independent claim 1, while reciting additional features of the present invention. Similarly, dependent claims 27 and 28 depend upon amended independent claim 26, while dependent claims 36, 42, 43, 50, 53 depend upon amended independent claim 29, and dependent claims 61, 68, 75, 76, and 78 depend upon amended independent claim 54. As noted above, the amended independent claims include limitations not disclosed by the Nishio reference. Further, the Tsuchida application fails to remedy the deficiencies of the Nishio reference.

Applicants respectfully submit that these dependent claims are allowable at least for the same reasons as base claims 1, 26, 29, and 54. The Tsuchida application fails to disclose or suggest modifying the rendering of the preferred content and the available channel based upon the detected action and playing the selected targeted content on the device on the available channel simultaneously with the preferred content. The Tsuchida application appears to discuss a system and apparatus for displaying substitute content that displays substitute content in response to a break in the broadcast content. See

paragraph [0027] of the Tsuchida application. While the Tsuchida application appears to disclose a number of instances where substitute programming may be viewed in place of live programming (see paragraphs [0028-0033], the Tsuchida application fails to disclose or suggest modifying the rendering of the preferred content and the available channel based upon the detected action and playing the selected targeted content on the device on the available channel simultaneously with the preferred content.

As outlined above with regard to amended claims 1, 26, 29, and 54, the Tsuchida application fails to cure the deficiencies of the Nishio reference, and the combination fails to disclose or suggest all the elements and limitations recited in independent claims 1, 26, 29, and 54 of the present application. Accordingly, Applicants respectfully submit that the combination of references also fails to disclose or suggest all the related elements and limitations of dependent claims 14, 15, 22, 23, 25, 27, 28, 36, 42, 43, 50, 53, 61, 68, 75, 76, and 78 as well. Therefore, Applicants respectfully submit that claims 14, 15, 22, 23, 25, 27, 28, 36, 42, 43, 50, 53, 61, 68, 75, 76, and 78 are allowable over the cited combination of references for at least the reasons outlined above with regard to claims 1, 26, 29, and 54. Accordingly, Applicants respectfully request the reconsideration of claims 14, 15, 22, 23, 25, 27, 28, 36, 42, 43, 50, 53, 61, 68, 75, 76, and 78 and withdrawal of the rejections under 35 U.S.C. § 103.

#### **F. Additional Claim Rejections under 35 U.S.C. § 103**

Claims 3, 11, 12, 17-21, 24, 31, 39, 40, 45-49, 52, 56, 64, 65, 70-74, and 77 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Nishio UK Patent Application GB 2,302,635 (“the Nishio reference”) as applied to claims 1, 2, 29, 30, 54, and 55 above, in view of Bacso et al. U.S. Patent Application Publication Number 2002/0124182 (“the Bacso application”). In view of the amendments above and the comments below, Applicants respectfully request reconsideration and withdrawal of this rejection.

1. The Combination of the Nishio reference and the Bacso Application Fails to Disclose All Elements of Dependent Claims 3, 11, 12, 17-21, 24, 31, 39, 40, 45-49, 52, 56, 64, 65, 70-74, and 77 and Fails to Render These Dependent Claims Unpatentable.

Dependent claims 3, 11, 12, 17-21, and 24 are dependent upon amended independent claim 1 and thereby include all the limitations of independent claim 1, while reciting additional features of the present invention. Similarly, dependent claims 31, 39, 40, 45-49, and 52 depend upon amended independent claim 29 and dependent claims 56, 64, 65, 70-74, and 77 depend upon amended independent claim 54. As noted above, the amended independent claims include limitations not disclosed by the Nishio reference. Further, the Bacso application fails to remedy the deficiencies of the Nishio reference.

Applicants respectfully submit that these dependent claims are allowable at least for the same reasons as base claims 1, 29, and 54. The Bacso application fails to disclose or suggest modifying the rendering of the preferred content and the available channel based upon the detected action and playing the selected targeted content on the device on the available channel simultaneously with the preferred content. The Bacso application discusses a method and system for targeted content delivery in a communications network where users may control the content customized for them (see paragraphs 0032-0036]. The Bacso application appears to provide a feedback mechanism where the user may teach the distribution network the type of substitute content that the user prefers (see paragraphs [0075-0078]), however the Bacso application fails to disclose or suggest modifying the rendering of the preferred content and the available channel based upon the detected action and playing the selected targeted content on the device on the available channel simultaneously with the preferred content.

As outlined above with regard to amended claims 1, 29, and 54, the Bacso application fails to cure the deficiencies of the Nishio reference, and the combination fails to disclose or suggest all the elements and limitations recited in independent claims 1, 29, and 54 of the present application. Accordingly, Applicants respectfully submit that the



combination of references also fails to disclose or suggest all the related elements and limitations of dependent claims 3, 11, 12, 17-21, 24, 31, 39, 40, 45-49, 52, 56, 64, 65, 70-74, and 77 as well. Therefore, Applicants respectfully submit that claims 3, 11, 12, 17-21, 24, 31, 39, 40, 45-49, 52, 56, 64, 65, 70-74, and 77 are allowable over the cited combination of references for at least the reasons outlined above with regard to claims 1, 29, and 54. Accordingly, Applicants respectfully request the reconsideration of claims 3, 11, 12, 17-21, 24, 31, 39, 40, 45-49, 52, 56, 64, 65, 70-74, and 77 and withdrawal of the rejections under 35 U.S.C. § 103.

### **G. Conclusion**

In view of the above amendments and remarks, Applicants respectfully request the Examiner's reconsideration of this application and the timely allowance of the pending claims. Except for issue fees payable under 37 C.F.R. § 1.18, the Commissioner is hereby authorized by this paper to charge any additional fees during the entire pendency of this application including fees due under 37 C.F.R. §§ 1.16 and 1.17 which may be required, including any required extension of time fees, or credit any overpayment to Deposit Account No. 19-2380. This paragraph is intended to be a **CONSTRUCTIVE PETITION FOR EXTENSION OF TIME** in accordance with 37 C.F.R. § 1.136(a)(3).

Respectfully submitted,

**NIXON PEABODY, LLP**

Date: August 5, 2008

/Stephen M. Hertzler, Reg. No. 58,247/

Stephen M. Hertzler

Reg. No. 58,247

Customer Number: 22204

**NIXON PEABODY LLP**

401 9<sup>th</sup> Street, N.W., Suite 900

Washington, DC 20004

(202) 585-8000 – Telephone

(202) 585-8080 - FAX